GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2675
ANSWERED ON:16.03.2007
SURPLUS IN REVENUE ACCOUNTS
Scindia Shri Jyotiraditya Madhavrao

Will the Minister of FINANCE be pleased to state:

(a) whether of late most of the States have shown surplus in their aggregate revenue accounts;

(b) if so, the details of revenue accounts for each of the last three years,State-wise;and

(c) the efforts made for revenue collections by the Union Government and State Governments?

Answer

SHRI PAWAN KUMAR BANSAL Minister of State in the Ministry of Finance

(a) and (b): A number of States have shown revenue surplus in their revenue accounts. The details of such States for the years 2003-04,2004-05 and 2005-06 are given in the annexure.

(c): The efforts made for revenue collections by the Union Government and State Governments are:

(i) The Union Government has taken the following steps to maximise collection of direct taxes:

1. Monitoring of the recovery of arrears by a Task Force.

2. Monitoring of advance tax payments by top taxpayers by the senior officers of the Department of Revenue.

3. Detection of new areas of violation/avoidance of the provisions of TDS and taking action for proper deduction and deposit of TDS.

4. Selection of cases under scrutiny based on objective financial indicators and proper risk assessment.

5. Further computerization of the business processes and databases of the Department of Revenue for linking of information and reporting of high value transactions.

6. Cross-verification of data collected through Annual Information Return with return of income and issuance of notices in suitable cases.

7. Conducting of surveys at a large scale for detection of concealment and for compliance of TDS.

8. Collection of data of purchase of luxury goods and issuance of notices in suitable cases.
v 9. Multi-media campaign to encourage voluntary compliance of tax laws.

(ii) The most significant tax reform measure taken by State Governments for enhancing their tax revenues is the implementation of State level Value Added Tax (VAT), replacing the earlier Sales Tax systems. VAT is the most efficient system of indirect taxation, which has provided very good buoyancy to the tax revenues of the States. VAT implementing States have shown significant improvement in the revenue performance and the tax revenues.